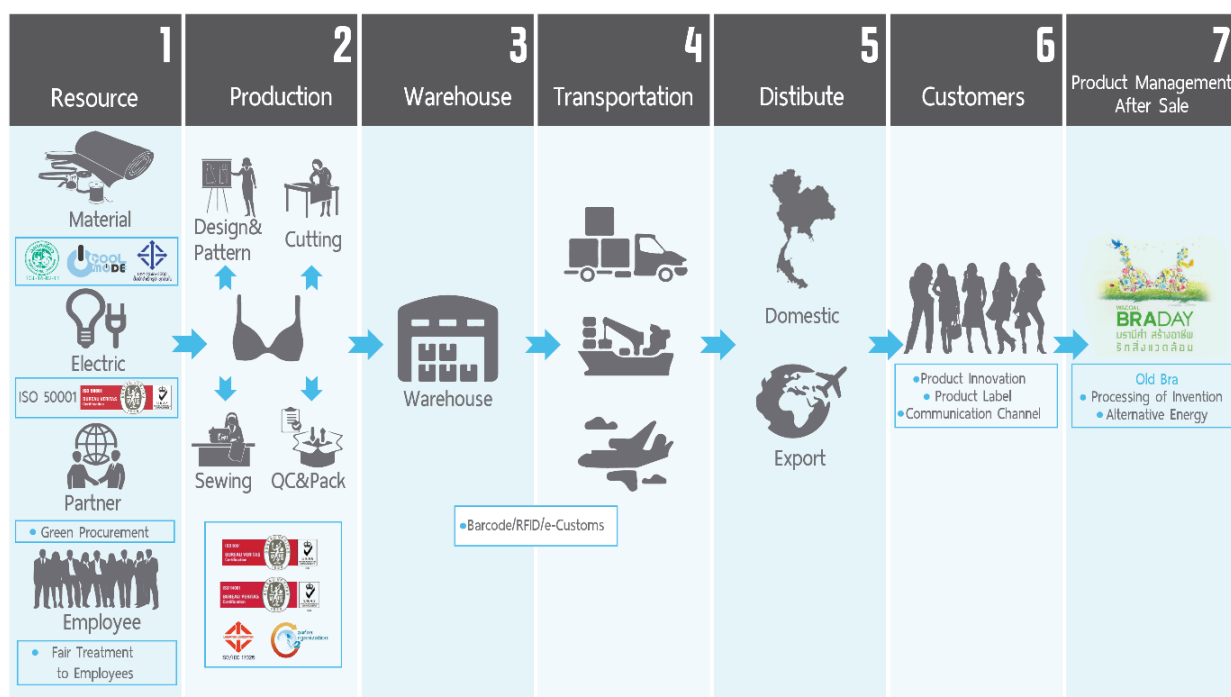


Business Value Chain

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Value chain management is a key strategy to deliver sustainable business success. Thai Wacoal attaches importance to every process of the business chain - including the supply chain and value chain. These help upgrading the quality of life and environment as well as fair business operation with accountability to all groups of stakeholders.

- **Supply Chain** : the company's main focus is on efficient use of resources, cost reduction, and better productivity.
- **Value Chain** : improving added value to the products and services to best serve the customers.



Resource Management

Raw Materials : Thai Wacoal is committed to using raw materials that reach the standards, are innovative, safe for consumers and environmental-friendly. Wacoal's lingerie have been certified as the Green Label and also been certified by the Thai Industrial Standards Institute and received the TISI 2346:2550 Standard, assuring safety from coloring and harmful chemicals. They have also been certified for standardized clothing that reduces GHG emission (CoolMode). Wacoal products are approval in carbon footprint of products (CFP), and the company is working with partners to develop alternative materials to reduce the use of natural resources.

Electricity : With the commitment to foster the organizational culture of energy preservation, Thai Wacoal production operations conform to the ISO 50001 Energy Management Systems, ensuring efficient energy use. In 2012, the company received the Thailand Energy Award and the ASEAN Energy Award and still holds such high standard to this day.

Partners : developing a unique purchasing guideline that considers partners who demonstrates promising responsibilities to the society, environment, human rights, and lawfulness. Thai Wacoal's purchasing operations also conform to the ISO 9001 and ISO 14001 standards.

Employees : Thai Wacoal strictly treats its employees with fairness, with respect to human rights, indiscriminate, welfare, and the promotion of quality of life. The "Wacoal Happy 8" campaign is implemented, with compliance to the WRAP standard, to develop the employees to their full potential and ensure their safety and health at the workplace.

Production Process

The company gives precedence to each single process from product design to standardized raw material selection certified by ISO/IEC 17025 testing laboratory, manufacturing process under ISO 9001 and environmental management system; ISO 14001, as well as the assessment of organization greenhouse gas emission (Carbon Footprint for Organization) under the workplace greenhouse reduction promotion project towards a low carbon emission industry through the vigorous implementation of the Product Life Cycle Assessment (LCA) which can be used as a guideline for sustainable environmental effect reduction. Moreover, the company has been certified as a Green Industry Level 4, Green Culture from the Ministry of Industry and received the Eco Industrial Industry (Eco Factory) from the Federation of Thai Industries, it thus reflects that every person in the organization have always conducted the business in environmental friendly manner until it becomes part of the organizational culture.

Inventory Management and Logistics

The company is determined to continuously develop the following inventory management systems to best serve the customers and distributors through more distribution channels as follows;

1. Develop the efficiency of the distribution system in both online and offline channels by using the sorter to support the sales during regular periods and special program periods such as 9.9, 11.11, etc., enabling fast delivery of goods as specified by customers and distributors.

2. Cooperate with transport company to develop a delivery system in both online and offline channels, together with selecting a transport company with an appropriate cost and fast delivery time in each channel including expanding sales by using Cash on Delivery (COD) with all brands of the company.

3. Provide equipment for packaging in the warehouse under the Green Factory standards using only recycled materials as well as determine the sizes of packages to be suitable for usage and limit variety of packaging styles in order to use common format of packages for delivery.

Consumers

Thai Wacoal has placed the importance on consumers' safety and health by using quality materials free from hazardous chemicals. Product information is clearly printed on labels. New innovations are constantly developed to satisfy the consumers' needs.

After Sales Product Management

Thai Wacoal initiated a systematic disposal of product waste, reusing old bras, and recycling materials to least affect the environment. Thai Wacoal as the Thai first lingerie product manufacturer who opens for used bras donation under the “Wacoal BRADAY” Project for the right disposal based on the 3Rs principles as follows;

1. Reduce : converted old bras to be fuel energy for generating electricity in a closed system by collaborating with TPI Polene Power Public Company Limited. It helps reducing community waste, the need for landfills, the use of natural resources, and the impact of climate change (reduce greenhouse gas emission).

2. Reuse : donated used bras in good condition were distributed to needy females and female prisoners in the prisons.

3. Recycle : metal wires and hooks from old bras are recycled to reduce the use of natural resources.